

RUSSELL L. LAFFITTE -- [REDACTED]

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1 the best interest of the bank at that point to do
2 that, to try to settle these, where we knew --
3 because I didn't -- we didn't think -- the bank
4 didn't think we had exposure in the Satterfield
5 case when it was proven by the attorneys -- I can't
6 remember the bank's attorney's name -- Trenholm
7 Walker said, you know, Hell, y'all have got
8 liability because you used the bank.

9 So I said, All right, we have got liability in
10 all of these. Let's try to settle it. Let's try
11 to make it right. Do the right -- One, we want to
12 do the right thing by the clients.

13 Q And was there another consideration too, like with
14 cost benefit, litigation in Hampton County turning
15 an adverse result that was greater than
16 \$1.3 million?

17 A You know, they didn't want to pay it. When I took
18 it to the board, the board went absolutely
19 ballistic. They wanted to claw it back. And I --
20 part of the reason I got fired, I put my foot down,
21 I said, No. I said, Three of the four members of
22 the executive committee discussed this in depth --
23 which was my sister, Gray Henderson, myself, and
24 Charlie Laffitte, who was also the board chairman.
25 We have the authority by our bylaws to settle any

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1 lawsuits whatever or potential. We thought it was
2 in the best interest. So we did it. And they
3 wanted us to claw it back. And I told them,
4 Absolutely not. I gave them my word we were paying
5 it. And by God, we were paying it.

6 Q Did you say, like for the authority to settle on an
7 amount that large, would you -- could you do it
8 yourself, or did you need that particular support?

9 A I don't think I needed to go, but I was going to.
10 I mean, we are a family.

11 Q Sure.

12 A We would discuss it. I never tried to hide it,
13 wouldn't try to hide it. Never tried to say it was
14 anybody's fault but my own.

15 Q Okay.

16 [REDACTED] [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED] [REDACTED]
21 [REDACTED]

22 THE WITNESS: We did the research, and when
23 I -- I -- we, the bank, me, myself, Nancy Drawdy,
24 different people, when we did the research of John
25 Peters and we saw these checks, we were like, Oh,